

AMENDED IN SENATE MAY 23, 2006  
AMENDED IN SENATE APRIL 25, 2006  
AMENDED IN SENATE APRIL 17, 2006  
AMENDED IN SENATE MARCH 27, 2006

**SENATE BILL**

**No. 1511**

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**Introduced by Senator Ducheny**

February 23, 2006

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An act to add Section 43013.4 to the Health and Safety Code, relating to vehicular air pollution, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1511, as amended, Ducheny. Renewable fuels: regulations.

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution. Existing law permits the state board to adopt and implement motor vehicle emission standards, in-use performance standards, and motor vehicle fuel specifications for the control of air contaminants and sources of air pollution that the state board has found to be necessary, cost effective, and technologically feasible, as provided.

This bill would require the state board, as a part of the California Phase 3 Reformulated Gasoline regulations update to be concluded by ~~January~~ July 1, 2007, to amend existing California cleaner burning gasoline regulations, as defined, to ~~optimize the regulations for the~~

~~increased use of~~ *maximize the flexibility to use* renewable fuels in the California transportation fuel market, as specified.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) Renewable fuels have the potential to strengthen  
4 California's economy by providing job growth and tax revenue  
5 and by reducing the state's vulnerability to petroleum price  
6 volatility by adding critically needed domestic fuel supply.

7 (b) The State Energy Resources Conservation and  
8 Development Commission and the State Air Resources Board  
9 recommended in their August 2003 report, "Reducing  
10 California's Petroleum Dependency," that the state adopt the goal  
11 of increasing the use of nonpetroleum fuel to 20 percent of  
12 onroad fuel consumption by the year 2020 and 30 percent by the  
13 year 2030.

14 (c) The Governor has established targets to reduce greenhouse  
15 gas emissions to 2000 levels by 2010, to 1990 levels by 2020,  
16 and to 80 percent below 1990 levels by 2050.

17 (d) Renewable fuels are an immediately viable strategy to  
18 reduce greenhouse gas emissions in the transportation sector,  
19 which is California's largest source of carbon dioxide emissions.

20 (e) The use of renewable fuels in California ~~should~~ *must*  
21 maintain or improve the air quality and emission benefits  
22 achieved by current law.

23 (f) Current California Phase 3 Reformulated Gasoline  
24 regulations are calibrated to provide flexibility for the use of  
25 ~~nonoxygenated, 100 percent petroleum~~ *reduced oxygen or*  
26 *nonoxygenated* fuels to expedite the phaseout of the gasoline  
27 additive methyl tertiary-butyl ether (MTBE).

28 (g) The MTBE phaseout concluded on December 31, 2003;  
29 ~~and the promotion of 100 percent petroleum fuels no longer~~  
30 ~~reflects the state's policy goals with regard to the California~~  
31 ~~transportation fuels sector.~~

(h) The State Air Resources Board updates the California reformulated gasoline regulations approximately every five years, and the most recent update, already underway, will be completed by 2007.

SEC. 2. Section 43013.4 is added to the Health and Safety Code, to read:

43013.4. (a) For purposes of this section, the following definitions shall apply:

~~(1) “Blending impacts” means unwanted impacts that occur as a direct result of the reaction that takes place between renewable fuels and gasoline under some blend scenarios. For the purposes of this section, blending impacts include any impacts that occur as a result of the interaction between renewable fuels and petroleum that inhibit the use of renewable fuels.~~

~~(2)–~~

(1) “California cleaner burning gasoline regulations” means all current and future California gasoline regulations adopted and enforced by the state board for the purpose of controlling vehicle or fuel emissions or fuel content, including the California Phase 3 Reformulated Gasoline (CaRFG3) program specifications and the CaRFG3 Predictive Model.

~~(3)–~~

(2) “Certified California base gasoline” means any California reformulated gasoline blendstock for oxygen blending (CARBOB) certified for use in California, by the state board under the California cleaner burning gasoline program.

~~(4)–~~

(3) “Fuel control parameter” means the fuel-content limits and caps on specific fuel blend properties adopted and enforced by the state board under the California cleaner burning gasoline program.

(b) ~~As Notwithstanding subdivision (b) of Section 43013.1, as a part of the California Phase 3 Reformulated Gasoline regulations update to be concluded by January~~ July 1, 2007, the state board shall amend existing California cleaner burning gasoline regulations to ~~optimize the regulations for the increased use of~~ maximize the flexibility to use renewable fuels in the California transportation fuel market.

(c) The state board shall ensure that the amended California cleaner burning gasoline regulations do all of the following, *but*

1 *only if the amended regulations maintain or improve upon the*  
2 *emissions reductions and air quality benefits achieved by the*  
3 *California Phase 2 Reformulated Gasoline program as of*  
4 *January 1, 1999, including emissions reductions for all*  
5 *pollutants and precursors identified in the State Implementation*  
6 *Plan for ozone, and emissions of potency weighted toxics*  
7 *compounds and particulate matter:*

8 (1) Establish fuel control parameters that provide  
9 transportation fuel refiners and marketers with maximum  
10 flexibility to ~~increase the use of~~ *use* renewable fuels, in varying  
11 percentages above current levels on a year-round basis, with any  
12 certified California base gasoline, in order to, among other  
13 purposes, maximize the use of renewable fuels within current  
14 vehicle manufacturer warranties.

15 ~~(2) Establish fuel control parameters that minimize the~~  
16 ~~blending impacts of renewable and petroleum fuels.~~

17 (2) *Maximize flexibility for the use of renewable fuels in the*  
18 *design of the analysis used to amend the California cleaner*  
19 *burning gasoline regulations.*

20 (3) Take into account, to the maximum degree feasible, both  
21 onroad and off-road emissions impacts in order to provide the  
22 most accurate ~~emissions and air quality profile of~~ *understanding*  
23 *of the emissions and air quality impacts of California*  
24 *reformulated gasoline and renewable fuel blends.*

25 ~~(d) In the design of the analysis used to amend the California~~  
26 ~~cleaner burning gasoline regulations, including in the selection of~~  
27 ~~assumptions and the interpretation of any inconclusive data~~  
28 ~~results, the state board shall exercise its discretion in a manner~~  
29 ~~that increases flexibility for the use of renewable fuels, consistent~~  
30 ~~with the state's goal of increasing the use of renewable fuel~~  
31 ~~resources to meet the state's energy demands, and within the~~  
32 ~~constraints of subdivision (e):~~

33 ~~(e) The state board shall ensure that the amended California~~  
34 ~~cleaner burning gasoline regulations maintain or improve upon~~  
35 ~~the emissions and air quality benefits achieved by the California~~  
36 ~~Phase 3 Reformulated Gasoline program, including emissions~~  
37 ~~reductions for all pollutants and precursors identified in the State~~  
38 ~~Implementation Plan for ozone, including emissions of~~  
39 ~~potency-weighted toxics compounds and particulate matter.~~

1 SEC. 3. This act is an urgency statute necessary for the  
2 immediate preservation of the public peace, health, or safety  
3 within the meaning of Article IV of the Constitution and shall go  
4 into immediate effect. The facts constituting the necessity are:

5 In order to help ensure, at the earliest possible time, that the  
6 State Air Resources Board is able to adopt regulations to ~~increase~~  
7 *maximize* the use of renewable fuels, and thereby protect public  
8 health and safety, it is necessary that this act take effect  
9 immediately.